

**TEMPORARY INCREASE IN ANNUAL PAY LIMITATION FOR
CERTAIN FEE BASIS PROVIDERS**

- 1. REASON FOR ISSUE:** To issue temporary Department of Veterans Affairs (VA) policy regarding the annual pay limitation for fee basis providers in the Veterans Health Administration.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive temporarily increases the annual pay limitation for certain VHA fee basis providers through December 31, 2017, in support of the Secretary's initiative to accelerate Veteran access to care and reduce wait times for primary care, specialty care, mental health, surgery and diagnostic procedures. These changes will NOT be incorporated into the permanent pay administration procedures contained in VA Handbook 5007.
- 3. RESPONSIBLE OFFICE:** The Compensation and Classification Service (055), Office of the Deputy Assistant Secretary for Human Resources Management.
- 4. RELATED HANDBOOK:** None.
- 5. RESCISSION DATE:** This directive is rescinded January 1, 2018.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**

/s/
LaVerne H. Council
Assistant Secretary for
Information and Technology

/s/
Gina S. Farrisee
Assistant Secretary for
Human Resources and Administration

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TEMPORARY INCREASE IN ANNUAL PAY LIMITATION FOR CERTAIN FEE BASIS PROVIDERS

1. PURPOSE. This directive temporarily increases the annual pay limitation for certain fee basis providers in the Veterans Health Administration (VHA) in support of the initiative to accelerate Veteran access to care and reduce wait times for primary care, specialty care, mental health, surgery and diagnostic procedures.

2. POLICY

a. Effective immediately, facility directors may approve exceptions to allow health care providers performing work on a fee-for-service basis to receive total compensation in a calendar year up to the lesser of \$300,000 or the existing aggregate pay limitation for VHA employees on full-time appointments in the same occupations. This is a temporary increase from the existing EL-V limitation (\$148,700) prescribed in VA Handbook 5007, Part II, Appendix F, paragraph 4c.

b. Temporary annual pay limitations are as follows:

(1) Physicians and Dentists: \$300,000

(2) Certified Registered Nurse Anesthetists: \$233,000

(3) All other title 38 and title 5 health care providers: \$205,700

c. Exceptions to the EL-V limitation may only be approved in order to accelerate Veteran access to care and reduce wait times for primary care, specialty care, mental health, surgery and diagnostic procedures.

d. Fees must still be established and documented in accordance with paragraph 3b of VA Handbook 5007, Part II, Appendix F. Specifically:

(1) Employees appointed on a fee basis are to be compensated by the task or service (i.e., by piecework) and are not to be paid on a time basis;

(2) Fees shall be based on fees for similar services in the community; and

(3) Facilities must document and maintain all information used to establish payment rates.

e. Other flexibilities such as appointments above the minimum rate of the grade; recruitment, relocation or retention incentives; alternate work schedules; and, adjustable work hours for part-time physicians, should be considered in an effort to appoint providers on a full-time, part-time or intermittent basis rather than on a fee-for-service basis, if provider will be utilized regularly.

3. RESPONSIBILITIES

a. The Under Secretary for Health (or designee) will retain specific information related to the usage of this temporary authority and provide such information, as requested, to the Deputy Assistant Secretary for Office of Human Resources Management for as long as the temporary increase in pay limitation remains in place. The following information should be collected and retained by VHA and be available for reporting at any time:

- (1) The number of fee-basis providers, by VA facility, and by occupation (and specialty, if applicable);
- (2) The established fee per service or task for each provider;
- (3) The number and type of services or tasks performed by each provider;
- (4) The number of patients afforded care by each provider; and
- (5) The total fees paid to each provider in the calendar year to date.

b. Human Resources Management (HRM) Officers, or designees, will monitor fee basis salary limitations, provide technical advice, guidance, and assistance to local officials regarding salary limitations, and will maintain necessary records and documentation regarding fee payments.

c. HRM officials will be responsible for notifying key management officials (i.e. service chiefs, Chief of Staff, Medical Center Director) when a fee-basis employee is nearing the pay limitation. In no case may the total of fee payments exceed the temporary limitations set forth in paragraph 2 above.

4. REFERENCES

- a. 38 U.S.C. 7405(b)(2)
- b. 38 U.S.C. 7431(e)(4)